

REMARKS

This application has been carefully reviewed in light of the Office Action dated March 31, 2005. Claims 4 to 6 and 29 to 38 are in the application, with Claims 4, 25 and 29 being independent. Reconsideration and further examination are respectfully requested.

The Office Action objected to the drawings under 37 C.F.R. 1.83(a), asserting that Fig. 1 does not show “the terminal.” In response, the Specification has been amended to change “terminal” to “information appliance” except where the meaning of “terminal” refers to a “final” cost or price. Accordingly, reconsideration and withdrawal of the objection is respectfully requested.

Claims 2, 3, 5, and 6 were objected to as allegedly failing to further limit the subject matter of a previous claim. The objection is respectfully traversed, since it is inappropriate for the Office Action to question the significance of limitations added by dependent claims that otherwise conform to 35 U.S.C. § 112, fourth paragraph. See MPEP § 608.01(n):

“A dependent claim does not lack compliance with 35 U.S.C. 112, fourth paragraph, simply because there is a question as to (1) the significance of the further limitation added by the dependent claim, or (2) whether the further limitation in fact changes the scope of the dependent claim from that of the claim from which it depends. The test for a proper dependent claim under the fourth paragraph of 35 U.S.C. 112 is whether the dependent claim includes every limitation of the claim from which it depends. The test is not one of whether the claims differ in scope.”

Accordingly, reconsideration and withdrawal of the objection are respectfully requested.

Claims 4 to 6 were rejected under 35 U.S.C. § 101. The rejection is respectfully traversed because the claims are directed to an “information appliance,” which is clearly a “manufacture” as authorized by 35 U.S.C. § 101. No basis is seen for the Office Action’s assertion that these claims are “not within the technological arts,” or do not somehow employ “technology.” It is noted that in the *Toma* decision, the Court of Customs and Patent Appeals expressly rejected the Examiner’s notion that there is a separate basis for a § 101 rejection for alleged failure to define an invention within the “technological arts”:

“The language which the examiner has quoted [i.e., ‘technological arts’] was written [by the *Musgrave* court] in answer to ‘mental steps’ rejections and was not intended to create a generalized definition of statutory subject matter. Moreover, it was not intended to form a basis for a new §101 rejection as the examiner apparently suggests.” *In re Toma*, 197 USPQ 852, 857 (CCPA 1978).

Accordingly, reconsideration and withdrawal of the § 101 rejection is respectfully requested.

Claims 1 to 6 and 25 were rejected under 35 U.S.C. § 102(e) over U.S. Patent No. 5,933,811 (Angles); and Claims 26 to 31 were rejected under 35 U.S.C. § 103 over Angles. Reconsideration and withdrawal of the rejections are respectfully requested.

With specific reference to the claims, Claim 4 is directed to an information appliance that includes a display incorporating an advertising display area disposed within a working display area, the advertising display area being associated with an advertising cost charged for displaying advertising information on the advertising display area, a store for storing advertising information, an advertising application for displaying the advertising

information on the advertising display area, and a non-advertising application for execution on the information appliance, wherein the price of the information appliance depends upon a difference between the advertising cost and a cost of manufacturing said information appliance.

Angles is seen to disclose a system for delivering customized advertisements in which a consumer computer merges a content provider's electronic document with an advertisement provided by an advertisement provider to create a single displayed document to the consumer. (column 3, lines 61 to 65 of Angles). Specifically, Angeles teaches "the consumer control module 42 in the consumer computer 12 is adapted to receive a Java plug-in from the content provider computer 14 which creates a separate window which can display customized advertisement 30 on the consumer computer 12." (column 23, lines 16 to 20 of Angeles).

Thus, Angles does not disclose or suggest the features of Claim 4, and in particular, does not disclose or suggest the features of the advertising display area being associated with an advertising cost charged for displaying advertising information on the advertising display area and the price of the information appliance depending upon a difference between the advertising cost and a cost of manufacturing the information appliance. Accordingly, Claim 4 is believed to be allowable over the applied art.

The Office Action explicitly stated that no patentable weight was given to certain limitations of the claimed invention, relying on MPEP § 2114. It is true that § 2114 states that an apparatus claim must be distinguished in terms of structure, not function. But that is not a license to ignore limitations, and the actions taken by the Office Action are

believed to contravene the “as a whole” inquiry mandated by the Federal Circuit. Put another way, the Office Action does not state that the claim language was considered but not deemed to define structurally over the art; rather, the Office Action took pains to point out that the language was ignored completely. Such actions are legally and procedurally improper. See *Diversitech Corp. v. Century Steps, Inc.*, 850 F.2d 675, 677, 7 USPQ2d 1315, 1317 (Fed. Cir. 1988) (“For a prior art reference to anticipate in terms of 35 U.S.C. §102, every element of the claimed invention must be identically shown in a single reference.”); MPEP § 2131.

Independent Claim 29 is directed to an information display business system for selling an information appliance. The information appliance comprises a display incorporating an advertising display area disposed within a working display area. The advertising display area is associated with an advertising cost charged for displaying advertising information on the advertising display area. The information appliance also comprises a store for storing advertising information, an advertising application for displaying the advertising information on the advertising display area, and a non-advertising application for execution on the information appliance, where the advertising information is displayed independently of the non-advertising application being executed on the information appliance. The business system comprises information appliance selling means for offering said information appliance for sale for a price, said information appliance having a manufacturing cost, and advertising selling means adapted to offer for sale an amount of said advertising display area for the advertising cost. The business

system also comprises price determination means adapted to determine said price dependent upon a difference between said advertising cost and said manufacturing cost.

Angles does not disclose or suggest the features of Claim 29, and in particular, does not disclose or suggest the feature of price determination means adapted to determine said price dependent upon a difference between said advertising cost and said manufacturing cost. The Office Action concedes that Angles does not teach the claimed price determination means. However, the Office Action asserts that sales would inherently be made at some determined price.

MPEP § 2112.01 explains that a presumption of inherency, “can be rebutted by evidence showing that the prior art products do not necessarily possess the characteristics of the claimed product.” (emphasis in original). While it may be true Angles inherently discloses price determination “at some determined price,” Angles is not seen to disclose or suggest a price determination means adapted to determine the price dependent upon a difference between the advertising cost and the manufacturing cost, as in Claim 29. Therefore, any price determination that may be presumed in Angles does not necessarily (and inherently) disclose a price determination means adapted to determine the price dependent upon a difference between the advertising cost and the manufacturing cost. Accordingly, Claim 29 is believed to be allowable over the applied art.

Independent Claim 25 is directed to an information appliance comprising a display having a working display area incorporating a permanently reserved advertising display area disposed within the working display area, said reserved display area being adapted to display advertising information independently of a non-advertising application

being run on the information appliance. The information appliance also comprises input means adapted to accept a software upgrade for said non-advertising application, the software upgrade being configured to update advertising information. The updated advertising information is displayed, independently of said non-advertising application being run on the information appliance, when said information appliance is operating.

Regarding Claim 25, Angles is not seen to disclose or suggest at least the feature of a display having a working display area incorporating a permanently reserved advertising display area disposed within the working display area. In particular, Angles is seen to teach that a customizable advertisement can be displayed in a separately created window on the consumer computer upon receipt of a Java plug-in. Therefore, the separately created window of Angles is not seen to teach or suggest a display having a working display area incorporating a permanently reserved advertising display area disposed within the working display area. Accordingly, Claim 25 is believed to be allowable over the applied art.

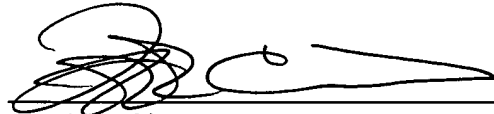
CONCLUSION

The other claims in the application are each dependent from the independent claims and are believed to be allowable over the applied references for at least the same reasons. Because each dependent claim is deemed to define an additional aspect of the invention, however, the individual consideration of each on its own merits is respectfully requested.

No other matters being raised, it is believed that the entire application is fully in condition for allowance, and such action is courteously solicited.

Applicant's undersigned attorney may be reached in our Costa Mesa,
California office at (714) 540-8700. All correspondence should continue to be directed to
our below-listed address.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Frank L. Cire', written over a horizontal line.

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